

Agriculture & Rural Development

As Ohio's first Senator to serve on the Senate Committee on Agriculture, Nutrition and Forestry in more than 40 years, Sen. Brown is honored to represent our state's farmers and rural communities. With a drought affecting farmers throughout Ohio and the nation, and with the farm bill reauthorization process in full swing, 2012 was a busy and important year in determining the policy that will guide food production, agriculture, and rural communities for the next five years.

With one in seven Ohio jobs connected to food and agriculture, Sen. Brown is fighting to keep Ohio's largest industry strong. He is working for Ohio's family farmers by championing major reforms to the farm safety-net, new opportunities for direct marketing of local food, and better crop insurance policies.

In 2012, Sen. Brown was a member of the Senate Appropriations Subcommittee on Agriculture, Rural Development and the Food and Drug Administration. Through this subcommittee, he worked to promote investments and policies that advance rural economic development and job creation in the small towns and agricultural communities that are all too often overlooked and underserved.

Creating and Fighting to Pass a Comprehensive Farm Bill

With national attention tuned to the budget, debt, and deficit, the House and Senate Agriculture Committees began bipartisan, bicameral work on a five-year farm bill that would save taxpayer dollars and make a fair contribution towards improving the nation's fiscal health.

In January, the Senate began writing a new farm bill that was responsive to farmers' needs while saving taxpayer dollars. The Committee maintained the bipartisan-bicameral framework and wrote a five-year farm bill that would save \$23 billion over 10 years.

The Senate Agriculture Committee, in April, considered and passed the bipartisan *Agriculture Reform, Food, and Jobs Act of 2012* by a vote of 16 to 5. During this process, six of the thirteen amendments Sen. Brown contributed were accepted in some form, while a seventh served as the basis for a rural development amendment successfully offered on the Senate floor.



Following receipt of a bipartisan letter from Sen. Brown and 43 members of the Senate urging swift consideration of a farm bill, the Farm Bill was brought up for full Senate consideration and passed the Senate in June with broad bipartisan support and a vote of 64 to 35.

The House Agriculture Committee considered a farm bill in May, but the full House of Representatives did not consider a farm bill during the 112th Congress. The 2008 farm bill

expired in September. The end-of-year tax-package passed and signed into law on January 1, 2013 included a nine-month extension of some of the 2008 farm bill provisions, though it failed to include the significant reforms in the Senate-passed version of the 2012 farm bill, disaster assistance for farmers who suffered from severe drought during 2012 crop year or funding for more than thirty programs related to renewable energy, conservation and beginning farmers.

Congress will begin efforts to rewrite and reauthorize the farm bill anew in January 2013.

Advancing Agriculture and Opportunities for Farmers

Throughout 2011—leading up to the 2012 Farm Bill consideration—Sen. Brown visited farms and rural areas around Ohio gathering input from Ohio farmers and citizens of rural communities on his *Grown in Ohio* listening tour. These ideas guided Sen. Brown’s legislative proposals for the 2012 Farm Bill. Making stops in Chesterland, Chillicothe, New Philadelphia, Custar, Cleveland, and Columbus, Sen. Brown met with farmers, entrepreneurs, and community leaders to discuss topics including energy development in Appalachia, how to improve farmers’ risk management tools, and how to increase production and consumption of locally grown food.



The Senate-passed, bipartisan farm bill represents the most significant reform in agriculture policy in decades. Specifically, the bill:

- **Eliminates Direct Payments to Farmers and Replaces them With Programs More Responsive to Taxpayers and Farmers**
The bill eliminates direct payments, which are made to farmers regardless of losses or even if a crop is planted, along with two other farm subsidy programs, saving taxpayers \$15 billion.
- **Stops Paying Farmers for Crops They Are Not Growing**
In the past, people received payments based on what crops were growing on their land as far back as the 1980s. The Senate-passed farm bill would support farmers only for crops they have actually planted and only when they suffer substantial losses through events beyond their control.
- **Limits Payments**
The bill bars any single person from receiving more than \$50,000 per year in farm payments. This is less than half the amount individuals can currently receive.
- **Ends Farm Payments to Millionaires**
The bill establishes strict new limits preventing any person with an adjusted gross income of more than \$750,000 from receiving farm program payments.

At *Grown in Ohio* listening sessions, Ohioans stressed the need to improve farm safety net programs so they are simple and efficient, providing farmers with support only when they need it most. In response, Sen. Brown worked closely with Ohio farmers to develop a policy proposal that provides farmers the risk management tools they need while maintaining participants’

reliance on private crop insurance. The product of this collaboration was the Aggregate Risk and Revenue Management (ARRM), which Sen. Brown introduced with Sens. John Thune (R-SD), Dick Durbin (D-IL), and Dick Lugar (R-IN) in September.

Saving nearly \$20 billion in taxpayer dollars, ARRM became the foundation for negotiations over what shape a streamlined farm safety net should take and was ultimately included in the Senate farm bill in modified form as the Ag Risk Coverage (ARC) program.

Under the ARC program, farmers will receive access to a single, risk-based coverage program that complements crop insurance to protect against both price and yield losses. Farmers will make a one-time choice between coverage at the individual farm level or at the county level. Payments to farmers will be available only when actual losses are experienced from a benchmark revenue calculated using an average of the previous five crop years. Farmers can only receive payments for acres that are actually planted, and only when there is a drop in price or yields. In order to be eligible for ARC, all farmers must agree to comply with conservation and wetlands requirements.

Assisting Farmers with Disaster Assistance and Risk Management

Extreme weather events in 2012 underscored the critical need for the disaster assistance and risk management tools included in the Senate-passed farm bill. With more than 80 percent of the country facing abnormally dry and drought conditions, farmers are faced with risks unlike those found in any other profession. A few days of bad weather or volatile market conditions can threaten the livelihood of America's farmers, ranchers, and rural small business owners. Responding to the concerns of farmers across Ohio and the nation, the 2012 farm bill strengthens and improves coverage for all commodities and underserved crops like fruit and vegetables without making budget cuts to crop insurance; it also strengthens and improves risk management tools and supports farmers and small business owners who have suffered disasters beyond their control. Specifically, the bill does the following to help farmers manage risk and respond to disaster:

- **Creates the Supplemental Coverage Option**

The Supplemental Coverage Option allows producers to purchase additional coverage on an area yield and loss basis. The coverage option establishes a trigger on coverage offered only if losses exceed 21 percent for producers enrolled in ARC and 10 percent for all others.

- **Strengthens and Reinstates Livestock Disaster Programs for 2012**

The livestock disaster provisions originally enacted in the 2008 farm bill expired in 2011, leaving producers without disaster assistance for the current crop year. The Senate-passed farm bill strengthens these programs and makes them retroactive to address the drought of 2012. Livestock disaster programs are critical as farmers and ranchers experience losses in livestock and grazing land due to extreme heat, drought, and fire. The Senate-passed farm bill provides permanent funding and authority for the Livestock Disaster Programs, including: the Livestock Indemnity Program (LIP), the Emergency Livestock Assistance Program (ELAP), and the Livestock Forage Disaster Program (LFP), which was enhanced by increasing payment rates and streamlining assistance.

Building New Markets for American Agriculture

Despite economic challenges nationwide, the farm economy has remained strong as U.S. production capacity continues to increase and agricultural exports are at record levels. Identifying new markets for American agricultural products and new revenue streams for farmers is essential to continuing this record of success. From renewable energy to export markets and local foods, Sen. Brown has been working to expand opportunities for all Ohio farmers.

Powering Farm-Based Renewable Energy

Ohio farmers and rural communities are integral to building, growing, and implementing the fuels and technologies that will power the clean-energy economy—and it is a once-in-a-lifetime opportunity for farmers to diversify, secure new markets, and create new revenue streams.

Sen. Brown is working to develop farm-based renewable energy. Although the energy programs created in the 2002 and 2007 farm bills have been important drivers of innovation and adoption of new technologies, they expired in September 2012. Without a designated source of future years funding, Sen. Brown put significant time and focus into building a bipartisan coalition of Agriculture Committee members committed funding key farm bill energy programs.

In March, Sen. Brown cosponsored *the Rural Energy Investment Act* to extend, modify, and fund existing farm bill energy programs. Throughout the Committee process, Sen. Brown worked with a bi-partisan coalition of eleven Agriculture Committee Senators to write, fund, introduce, and pass with the energy amendment that will fund most existing farm bill energy programs with some minor modifications designed to make the programs more effective and efficient.

Developing a Biobased Products Industry

The emerging biobased industry links two of Ohio's strongest sectors—agriculture and manufacturing—to make new products such as soy-based greases, ink, and toner to car seats and plastic substitutes. Interest in the biobased products industry gathered steam in 2011 when, at Sen. Brown's invitation, Denny Hall, the assistant director of the Ohio BioProducts Innovation Center (OBIC) and a sixth generation farmer testified before the Senate Agriculture Committee. Following this hearing, USDA Sec. Tom Vilsack visited the Ohio State University to learn how the biobased product industry is creating jobs and joined Sen. Brown in holding a *Grown in Ohio* listening session focused on the challenges Ohio biobased companies face as they get started and grow.



In March, Sen. Brown joined a group of colleagues to introduce a “Grow it Here; Make it Here” Biobased Manufacturing Initiative to help create jobs and boost the biobased products industry. Later that month, Sen. Brown and Agriculture Secretary Vilsack visited Cleveland's Sherwin-

Williams to highlight the new jobs and potential that could come from linking manufacturing and agriculture.

The components of the initiative are explained, below, and were incorporated into the *Agriculture Reform, Food, and Jobs Act of 2012*:

- **Strengthens the Biopreferred Program**, which certifies and labels products so consumers can choose to purchase goods made of agriculture materials, and provides a preference for these products for government purchases.
- **Spurs the commercialization of new agricultural innovations** by streamlining and focusing resources to help new bio-based projects move from the development to the commercialization phase, also known as the "valley of death" since far too many good ideas do not make it out of this phase.
- **Increases access to capital for bio-based manufacturers** by expanding the USDA's Biorefinery Loan Guarantee Program, so bio-based manufacturers have access to loans to help finance new or existing operations.

Bolstering Production and Consumption of Ohio-Grown Foods

Local and regional agriculture is a major economic driver in the rural economy. For each dollar that consumers spend on food, less than \$0.16 returns to the farmer. Supporting opportunities for farmers to sell their products directly to consumers or through shorter local supply chains means that more of a consumer's dollar stays – in Ohio – primarily on the farm, where it is invested in local jobs and supplies and helps the local economy.

A recent study shows that if Northeast Ohio's residents and businesses spent 25 percent of their food dollars on local farms and businesses, 27,500 jobs could be created while increasing economic output by \$4.2 billion and generating \$126 million in local and state taxes. By supporting our state's family farms we can expand farming businesses, create rural jobs, and invest in local and regional food economies.

That is why Sen. Brown introduced the *Local Farms, Food, and Jobs Act*. This legislation, designed to be a part of the farm bill, is a comprehensive package of reforms that would help Ohio farmers and ranchers by addressing production, aggregation, marketing and distribution needs. The bill would also prioritize consumer access to healthy, fresh food with support for technology and direct sales.

In August, Sen. Brown hosted an all-day forum entitled Grown in Ohio: Making the Local Food Connection. The conference, held in conjunction with the U.S. Department of Agriculture (USDA) and the Ohio State University Extension, featured a keynote address from Deputy Secretary of Agriculture that included an announcement that Ohio has signed the first cooperative agreement with the Food Safety Inspection Service that will allow State-inspected meat to be shipped across state lines.

Key provisions of the *Local Farms, Food, and Jobs Act* were included in the *Agriculture Reform, Food, and Jobs Act of 2012*. The bill also:

- **Expands Opportunities for Local and Regional Food Systems**

The bill strengthens support for farmers' markets and expands authority to support innovative local food enterprises like food hubs.

- **Increases Access and Affordability of Healthy Food Options**

In both urban and rural low-income communities, many people lack reasonable access to nutritious and affordable food. The bill authorizes the Healthy Food Financing Initiative to administer loans and grants to improve access to healthy foods in these "food deserts."



- **Promotes Better Health for School Children**

The bill continues the successful Fresh Fruit and Vegetables Program, which provides fresh fruits and vegetables to elementary school children throughout the school day in school districts with a high proportion of low-income students. It also continues the Department of Defense Fresh Program, which distributes fruits and vegetables to schools and service institutions, and continues to allow the Agriculture Marketing Service to conduct pilots to allow states to source locally-grown produce.

Creating Opportunities for Beginning Farmers

With the average age of farmers at 57, one of the most pressing challenges in agriculture is preparing the next generation of farmers and ranchers to meet the increasing world-demand for food. Making sure agriculture is profitable is an essential component of recruiting and retaining a new generation of farmers and ranchers.

Because Sen. Brown puts high priority on helping beginning farmers and ranchers continue, start, and build family farming and ranching operations, he cosponsored the *Beginning Farmer and Rancher Opportunity Act* which extends, improves and strengthens USDA's work to help beginning farmers obtain education and training, necessary financial resources and credit, assistance for practicing sound conservation in their operations, and adequate income insurance and risk management. The *Agriculture Reform, Food, and Jobs Act* includes several key provisions from the *Beginning Farmer and Rancher Opportunity Act* as well as many others to support beginning farmers.

Supporting Agricultural Research

Modern agriculture is faced with multiple challenges. By 2050, agricultural production must double in order to feed the global population. Furthermore, investment in agricultural research

has been the foundation for our country's agricultural success. That is why Sen. Brown maintains a steady drumbeat of support for agricultural research.

Sen. Brown supported the *Charitable Agricultural Research Act*, which creates agricultural research organizations to facilitate private sector contributions to agricultural research. This bill was included in the *Agriculture Reform, Food and Jobs Act of 2012*. He also co-sponsored the bipartisan *Veterinary Services Improvement Act*, which was included in the Senate 2012 farm bill, to address the shortage of veterinarians in rural agricultural areas by supporting veterinary education and rural recruitment.



Community Assistance Partnership.

Building Strong, Vibrant Rural Communities

Strong rural communities are essential to Ohio's economic prosperity and serve as a barometer for our broader economy's health. By closing the skills gap, rebuilding our infrastructure, and expanding agriculture's role in the clean energy economy, we can strengthen rural Ohio's competitiveness in the 21st century. That is why, as Chair of the Agriculture Committee's Subcommittee on Job Creation, Rural Economic Development and Renewable Energy, Sen. Brown remains committed to building strong, vibrant towns and rural communities in Ohio. In recognition of his leadership, in August Sen. Brown was named "Rural Champion of the Year" by a leading national rural organization, the Rural

Creating Jobs and Economic Prosperity in Rural Ohio and the 2012 Farm Bill

More than half of Ohio's 88 counties are designated as "rural" by the U.S. Department of Agriculture (USDA). Sen. Brown recognizes that rural America faces great economic challenges. That is why Sen. Brown is working to grow our state's economy by promoting our strengths and rebuilding the middle class to connect Ohio's strengths, rebalance the economy, replace the hundreds of thousands of Ohio jobs that have been lost, and rebuild our middle class.

As Chair of the Agriculture Committee's Subcommittee on Job Creation, Rural Economic Development and Renewable Energy, Sen. Brown worked to rewrite and reform USDA-rural development programs that no longer serve rural Ohioans or our nation's taxpayers. Sen. Brown knows that in order for rural America to compete in the global economy, expansion of broadband service is essential. That is why in April he introduced the *Connecting Rural America Act*. The bill would reauthorize the USDA's Broadband Loan Program through 2017 while modifying the program so it better serves communities that are small in size, remotely located, and high in poverty. The bill was included in the 2012 Farm Bill.

While Sen. Brown strongly supported the final product of the Agriculture Committee's work to improve the rural development provisions of the *Agriculture Reform, Food, and Jobs Act of 2012*, he was disappointed that no mandatory funding was allotted for these important programs.

Determined to ensure the final version of the farm bill that passed the Senate included funding for key rural development programs, Sen. Brown authored and passed an amendment to garner support for more than 185 organizations including: National Association of Counties, National Association of Development Organizations, Farmers Union, Farmers Market Coalition, National Rural Water Association, National Young Farmers Association, Association of Towns and Townships, National Association of RC&Ds, National League of Cities, National Rural Housing Coalition, Rural Community Assistance Partnership, National Sustainable Agriculture Coalition, Center for Rural Affairs, American Public Works Association, and League of Rural Voters.

The amendment was considered by the full Senate and passed on a vote of 55-44. The amendment ensured resources for the:

- **Value-Added Producer Grant Program (VAPG)**, which provides working capital and business development funds for on-farm and local processing and retail agriculture.
- **Rural Micro-entrepreneur Assistance Program (RMAP)**, which provides financial assistance to businesses with fewer than 10 full-time employees in rural areas.
- **Water/Wastewater Backlog**, which provides technical and financial assistance for water and wastewater infrastructure upgrades in small towns and communities in rural areas.
- **Beginning Farmer and Rancher Development Program (BFRDP)**, which provides competitively awarded funding through the National Institute of Food and Agriculture (NIFA) for education, extension, outreach, and technical assistance initiatives directed at helping beginning farmers and ranchers of all types.